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SOURCE Hwanghae Nodong Sinmun.GOVERNMENT ANNOUNCES NEW SOCIAL INSURANCE REGULATIONS

The Presidium of the Supreme People's Assembly of the Korean Democratic People's Republic has announced new regulations affecting the administration of the social insurance program in North Korea, as follows:

1. Social insurance premiums for the benefit of laborers and staff workers shall be collected in the manner described in the following articles.

2. Hereafter, social insurance premiums shall be levied, without fail, on every worker, irrespective of the nature of employment or the scale of wages.

3. Factory and store managers must deduct the premiums from the wages of all workers under their supervision and remit them, together with the factory's contribution for every worker, for deposit with the social insurance section in the respective local banks. Premiums and contributions shall be entered properly in an authorized form and countersigned by the chairman of the Factory Workers' League.

4. Social insurance premiums and contributions for the workers must be remitted, in general, according to the schedule attached. However, the government shall re-appraise the schedule at the beginning of every year in the light of factory sanitary conditions and the degree of danger to life in the factory.

5. In the event a factory is engaged in several types of business, the premiums and contributions shall be calculated according to the type of business which has the highest rate on the schedule. Even a small amount of private investment, or if the business is managed by private individuals, will place the business enterprise in the category of "private" enterprise for the purpose of calculating social insurance premiums and contributions, whether the factory is state-owned, Party-owned, or owned by a social organization.

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6. The premiums must be calculated on regular paydays whether the payday is agreed upon by a working contract or by a statute of the central government. If extra wages are paid, the premiums thereof shall be included in the next regular payment. In the event there is no regular payday in a business establishment, the premiums may be remitted at the end of each month, but before the last day.

7. In the event the management is under orders to liquidate the enterprise, or if the manager considers it dangerous to wait until the regular payday to submit the premiums, he may submit them in advance.

8. Business organizations using banking facilities must pay the legal amount of premiums and contributions at the bank when calling for payroll money. The bank is not permitted to hand out the payroll unless the firm calling for the money is not delinquent in paying the legal amount of premiums and contributions. In the event the business firm calling for payroll money does not have sufficient deposits in the bank to cover the regular payment in full, the firm may be allowed to draw the necessary amount to cover the wages only, and the case must be referred to each respective city or county social insurance agency within 3 days.

9. When a manager pays a part or all of the premiums and contributions from his personal deposit, due to the lack of firm's funds, the amount used in this manner must be credited to his other expenses or to his tax, and such a note must be recorded with the respective Social Insurance Agency.

10. Factory managers may be permitted to use certain amounts of money from the factory's social insurance funds for desirable purposes, as prescribed in the Social Insurance Law, but first the manager must consult with the chairman of the Factory Workers' Committee and, then secure an official authorization from the city or country social insurance agency. The Central Bank and the various local banks which are acting for the Social Insurance Agency are required to maintain very close liaison to keep an accurate account of such matters.

11. In the case of contract employment, such as construction work, installations, repairing, etc., the contractor is required to deduct the legal amount for social insurance and submit it to a properly designated bank. The amount of premiums and contributions shall be agreed upon at the time of contract. Variations, if any, must be settled every month in consultation with the Workers' Committee.

12. A factory manager must first obtain an agreement from the Factory Workers' Committee, as their social insurance representative, and in accordance with the regulations of the Ministry of Labor before registering with any appropriate local authority as a "social insurance representative designate."

13. Delinquent social insurance premiums shall be subject to one-percent fine per day. The fine may be imposed upon the factory management or the workers themselves, depending upon the circumstances. The bank acting for the Social Insurance Agency shall be permitted to demand both the premiums and fines.

14. All banks which are authorized to accept the premiums and fines must make a report the same day to the Central Bank, together with the payments. In turn, the Central Bank must report to the Ministry of Labor all activities relating to the social insurance activities.

15. The Central Committee of the Workers' League has the right to demand of the Ministry of Labor and the social insurance section of the Central Bank, any information pertaining to social insurance matters.

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16. Any bank acting for the Social Insurance Agency shall perform the duty free of charge.

17. Social insurance premiums and other incomes for the benefit of laborers and staff workers must be treated as such and not be confused with the national treasury funds. They shall be administered by the Ministry of Labor; however, they must be combined with the national budget and paid to the workers by the Ministry of Finance.

18. Funds received either in the form of premiums or fines cannot be used for purposes other than as social insurance benefit for the workers. In working out the national budget, the Central Committee of the Workers' League must be consulted with respect to social insurance benefits.

19. Social insurance reserve funds must be provided in the national annual budget.

20. Participants and officials of the social insurance program have the right to inspect the business records of all national organizations, political parties, social organizations, cooperatives, and private enterprises to protect the interest of the workers.

21. The Social Insurance Agency, for the purpose of collecting social insurance premiums and other allied benefits, shall enjoy the same rights as those granted to the collectors of national revenue.

22. With respect to penalties for violation and to the duty of the managers, reference must be made to Chapter 6, National Income Tax Ordinance, dated 1 August 1949.

23. This ordinance shall be effective beginning 1 January 1950.

24. "Remittance of Social Insurance," No 18, issued on 24 March 1947, is hereby rescinded.

Signed: Kim Tu-pong (Kim Doo-bong,) President,
Presidium of the Supreme People's Assembly,
Korean Democratic People's Republic

Kang Yang-uk (Kang Yang-wook,) Secretary-General,
Presidium of the Supreme People's Assembly,
Korean Democratic People's Republic

Issued 29 December 1949, P'yongyang, Korea

Social Insurance Schedule

[From the text, it cannot be determined whether this is the premium schedule, contribution schedule, or combination; see article 4]

<u>Enterprise</u>	<u>Rate for State-Owned, Party-Owned Enterprises, and Cooperatives (in %)</u>	<u>Rate for Privately Owned Enterprises (in %)</u>
General office	5	10
Educational institutions	5	10
Hospitals and sanitariums	5	10
Cultural centers	5	10
Commercial and commodity management agencies	6	11
Foodstuff processing	6	11
Purchasing organization	6	11

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<u>Enterprise</u>	<u>Rate for State-Owned, Party-Owned Enterprises, and Cooperatives (in %)</u>	<u>Rate for Privately Owned Enterprises (in %)</u>
Carpenter work	6	11
Livestock and forestry	6	11
Barber shop and other sanitary services	6	11
Seal carving	6	--
Communication services	6	11
Tanneries	7	11
Breweries	7	11
Rubber industries	7	11
Match manufacturing	7	11
Construction work	7	11
Metallurgical work	7	11
Salt manufacturing	7	11
Printing	7	11
Lumber work	7	11
Starch production	7	11
Bridge erection	7	11
Waterworks and cold storage	7	11
Drug manufacturing	7	11
Consumers' goods manufac- turing	7	11
Motion picture and record making	7	11
Railroad work	7	11
Ceramic industries	8	12
Paper and pulp work	8	12
Textile industries	8	12
Mining	8	12
Chemical industries	8	12
Machinery work	8	12
Glass work	8	12
Petroleum work	8	12
Cement industries	8	12
Brick industries	8	12
Electricity and gas work	8	12
Steel work	8	12
Land and sea transportation	8	12
Shipbuilding	8	12
Civil engineering	8	12
Stone masons	8	12
Fishing	8	12
Tobacco industries	8	12
Woolen industry	8	12
Dangerous types of work	8	12

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